# BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

In the matter of:

:

Number Resource Optimization: CC Docket No. 99-200

:

Petition for Declaratory Ruling and Request: CC Docket No. 96-98

For Expedited Action on the July 15, 1997: Order of the Pennsylvania Public Utility: Commission Regarding Area Codes 412,: 610, 215 and 717:

# COMMENTS OF THE NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES TO THE SECOND FURTHER NOTICE OF PROPOSED RULEMAKING IN CC DOCKET NO. 99-200

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#### I. INTRODUCTION

On December 29, 2000, the Federal Communications Commission ("FCC") released its Second Report and Order, Order on Reconsideration and Second Further Notice of Proposed Rulemaking ("Second Report and Order") which constituted its latest action in the efforts to address number resource optimization and reduce the proliferation of area codes. In this Second Report and Order, the FCC continues to develop, adopt and implement a number of strategies to ensure that the numbering resources of the North American Numbering Plan ("NANP") are used efficiently and that all carriers have the numbering resources they need to compete in the rapidly expanding telecommunications marketplace. NASUCA here notes, however, that competition is not "rapidly expanding" for residential customers, the vast majority of whom have few competitive alternatives to the incumbent local exchange carrier ("ILEC").

Through its <u>First Report and Order</u>, the FCC has previously adopted administrative and technical measures designed to allow it to monitor more closely and increase the efficiency with which numbering resources with the NANP are used.<sup>2</sup> The FCC has also adopted a strategy for the assignment of numbers in blocks of 1,000 rather than 10,000 as has historically been the case so as to reduce the strain on current numbering resources and increase the efficient use of those resources.<sup>3</sup> The FCC now continues its examination of number resource optimization measures in furtherance of its national number resource optimization goals.

Second Report and Order at ¶1.

See, Numbering Resource Optimization, Notice of Proposed Rulemaking, 14 FCC Rcd 10322 (released June 2, 1999) ("First Report and Order").

 $<sup>\</sup>underline{\text{Id}}$  at ¶116-226.

The National Association of State Utility Consumer Advocates ("NASUCA") is an association of 42 consumer advocate offices in 39 states and the District of Columbia and includes members designated by the laws of their respective states to represent the interests of utility consumers before state and federal regulators and in the courts. NASUCA has been actively advocating consumer interests in the matter of number resource optimization at many levels including filing Comments and Reply Comments in the prior commenting periods at this docket and participating in the North American Numbering Committee ("NANC") and the Number Resource Optimization Working Group. Many individual members of NASUCA have also advocated consumer interests in their respective state numbering proceedings.

NASUCA submits these Comments to commend the FCC on certain actions it has taken so far in an effort to conserve numbering resources and to encourage the FCC to

- eliminate its prohibition on service-specific and technology-specific overlays;
- continue encouraging states to implement rate center consolidation where appropriate;
- establish a conservation minded set of reserve numbering guidelines;
- strictly enforce all its number conservation rules and orders as well as industry guidelines;
- grant state commission's the authority to conduct audits; and
- ensure that consumers will not see an increase in their telephone bill as a result of the implementation of number conservation measures.

In support of its Comments, NASUCA submits as follows:

#### II. COMMENTS

A. The Federal Communications Commission should be commended for the latest steps it has taken to slow the proliferation of area codes and avoid or significantly delay the expansion of the North American Numbering Plan.

NASUCA commends the FCC for its continued efforts to conserve numbering resources so as to minimize the cost and confusion borne by consumers with the implementation of each new additional area code. In particular, the FCC will now require a higher starting utilization threshold before carriers can receive additional numbering resources in a given rate center. This utilization threshold will also apply to pooling carriers. NASUCA also commends the FCC in its decision to conclude that the term of the Pooling Administrator will be five years rather than coterminous with the current NANPA term.

NASUCA applauds the FCC for deciding not to adopt a transition period between the time that covered CMRS carriers must implement local number portability ("LNP") and the time they must participate in mandatory number pooling.<sup>2</sup> This mandate will help ensure that service providers ("SP") who have high numbering demand will be able to effectively participate in number resource optimization measures which will benefit customers and SPs and help extend the life of the NANP. NASUCA commends the FCC's intended implementation of a comprehensive audit program to verify carrier compliance with federal rules and orders and industry guidelines. NASUCA applauds the FCC's decision not to adopt mandatory ten-digit dialing at this time or release the "D digit." NASUCA appreciates the FCC's clarification of certain provisions of its prior numbering decisions.

Most importantly, NASUCA commends the FCC on its interest to further

Second Report and Order at ¶¶18-33.

<sup>&</sup>lt;sup>2</sup> Id. at ¶50.

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explore numbering resource optimization measures through its Second Further Notice of

Proposed Rulemaking so as to slow the proliferation of new area codes and avoid or

significantly delay any need for the expansion of the NANP.

- B. The Federal Communications Commission must take additional action to ensure that the proliferation of area codes is slowed and the need for expansion of the North American Numbering Plan is significantly delayed or eliminated.
  - 1. The inefficiencies of the numbering situation warrants elimination of the prohibition on service-specific and technology-specific overlays in ways that will accommodate consumer interests (¶124-143).

a.Issue

The FCC begins its Further Notice of Proposed Rulemaking portion of the Second Report and Order with a detailed discussion of service-specific and technology-specific overlays.<sup>3</sup> More specifically, the FCC recognizes that it has prohibited these types of overlays since as early as 1995.<sup>4</sup> The FCC reiterated that one of the reasons why it originally prohibited these types of overlays was because it was thought that it would place paging and cellular companies, who would be using the new overlay, at a competitive disadvantage because their customers would suffer the cost and inconvenience of having to surrender their existing numbers and go through the process of reprogramming their equipment, changing over to the new numbers and informing callers of their new numbers.<sup>5</sup> The FCC concluded that any numbering resource optimization benefits from this plan were outweighed by what it viewed as the disproportionate burden that the plan would place on the customers of paging and cellular

Second Report and Order at ¶¶124-143.

Id, at ¶124, quoting, Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech - Illinois, Declaratory Ruling and Order, 10 FCC Rcd 4596 (1995)("Ameritech Order").

<sup>&</sup>lt;sup>5</sup> Ameritech Order, at 4608.

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carriers. 6

The FCC now recognizes, however, that several state Commissions have expressed an interest in being able to implement service-specific and technology-specific overlays<sup>7</sup> and the FCC has decided to re-examine its policies in light of the "current numbering crisis." As such, the FCC now seeks comments on various aspects of service-specific and technology-specific overlays. NASUCA is particularly appreciative of the FCC's desire to consider comments on the relative advantages of these overlays from a numbering resource optimization perspective, a competitive perspective and a consumer convenience perspective.<sup>9</sup>

#### b. Recommendation

NASUCA has frequently advocated in the past for the use of service-specific and technology-specific overlays. <sup>10</sup> In this proceeding, NASUCA advocates again for the use of these number optimization measures in response to the FCC's broad interest in comments on the conditions under which service-specific and technology-specific overlays could be implemented in order to promote competitive equity, maximize the efficient use of numbering resources and minimize customer inconvenience. <sup>11</sup> NASUCA submits these comments to assert that the FCC should expand the options available to state commissions to avoid the need for area code relief

Connecticut, Massachusetts, California, Ohio and Pennsylvania have all filed petitions with the FCC seeking authority to implement service-specific and technology-specific overlays.

<sup>6 &</sup>lt;u>Id</u>.

First Report and Order at ¶126.

Second Report and Order, at ¶131.

See, Joint Comments of Texas Office of Public Utility Counsel and National Association of State Utility Consumer Advocates, CC Docket No. 99-200, FCC 99-122 (filed July 30, 1999) ("Joint Consumer Comments"). NASUCA recognizes that the FCC would need to change its porting requirements to make this number optimization possible.

Second Report and Order, at ¶¶129, 143.

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by non-wireless customers through the use of service-specific and technology-specific overlays as a way to provide area code relief particularly because these measures can promote the efficient and competitively neutral use of numbering resources in a way that minimizes overall costs to consumers and society.

NASUCA submits that the conclusion that these number conservation measures are discriminatory or would inhibit competition is not warranted. NASUCA recommends that the FCC immediately repeal these prohibitions given the severity of the numbering shortage that presently exists so that states may use this valuable numbering conservation option and also to avoid the discriminatory and anti-competitive effects inherent in all-service overlays. NASUCA members have attended the public hearings that have taken place across the country on the issue of new area codes and have experienced first-hand the public's frequent support for service-specific and technology-specific overlays. Some customers have even suggested the idea of service-specific and technology-specific overlays without even being aware that such methods exist. This public support is evident in the efforts of various state Commissions to receive authority to implement these number conservation measures despite the FCC's prohibition. These states have requested the ability to address the particular problems they are facing through the use of these number conservation measures and the FCC should now give them the opportunity to do so.

This is particularly so in light of the changing circumstances related to its previous determination to ban service-specific and technology-specific overlays, <u>i.e.</u> the potential anti-competitive and discriminatory effects. <sup>12</sup> However, wireless SPs generally are providing service in different markets with substantially different local calling areas and rate structures from those used by wireline LECs. Thus, wireless SPs often do not

Joint Consumer Comments at p. 42.

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currently compete directly with wireline service carriers.<sup>13</sup> In fact, it is unlikely that true competition is likely to develop between these carriers in the near future. These number conservation measures would be discriminatory only if they discriminated between wireless service carriers or between wireline carriers. While the possibility exists that, at some point in the future, wireline and wireless services may become head-to-head competitors, for the present there is no evidence to support such a conclusion.

NASUCA submits that the anti-competitive and discriminatory effects that the FCC was once concerned about in the Ameritech Order are now much less of a concern. A service or technology-specific overlay could actually benefit SPs by providing two separate "pools" of numbering resources from which all SPs could draw. Use of this optimization measure would eliminate a situation in which wireless carriers have complained of loudly and often - the need to compete with other SPs for numbering resources, particularly in area codes where rationing is in place. If wireless SPs were able to draw NXX codes from an overlay area code dedicated to their use, and also retain their currently assigned numbering resources in the existing geographic area codes (with the high churn rates characteristic of wireless services), then their business plans would no longer be affected by constrained numbering resources in the geographic area codes. This could be particularly beneficial in densely populated areas where there are multiple geographic area codes within a single wireless metropolitan service area ("MSA") such as Los Angeles. A wireless overlay area code that encompasses several geographic area codes would ensure that these SPs have access to the numbering resources they need and can assign those resources efficiently wherever demand is highest, while at the same time reducing the rate at which underlying geographic area codes require relief. This is a far

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For purposes of this discussion, NASUCA uses the term "wireless" to mean providers of mobile CMRS services. NASUCA here does not express an opinion on the likelihood of head-to-head competition between wireline LECs and providers of fixed wireless service.

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more customer-friendly result than that produced by implementation of the proposed transitional technology-specific overlay.

Furthermore, any anti-competitive or discriminatory effects caused by requiring a wireless customer to change to a new wireless area code are reduced due to the churn experienced by the wireless industry. Because most wireless users change their wireless phone, and thus their wireless phone number, at the end of their contract period, any need to force a change in numbering is diminished. A wireless customer frequently receives a new wireless number and any discriminatory effect of customers having to change phone numbers as a result of implementing service-specific or technology-specific overlays are virtually eliminated. Additionally, any potential discriminatory effects will be obviated by the implementation of LNP by CMRS carriers in November, 2002. Conversely, telephone numbers associated with wireline services are more likely to be retained by the end-users for a number of years and, as such, customers are much more identified with and attached to their wireline number. In summary, the need to change wireless telephone numbers, and the need to allow service-specific or technology-specific overlays, can be considered as separate issues.

NASUCA submits that a service specific overlay is particularly appropriate for the wireless industry which has grown from 91,600 subscribers in January, 1985 to 97,035,925 subscribers in June, 2000. As the wireless industry continues to grow, service-specific and technology-specific overlays will further reduce the strain on existing numbering resources thus further delaying the need for the implementation of additional area codes. Permitting state commissions to use a service-specific or technology-specific overlays is a much better means of avoiding area code splits that may otherwise occur. Wireless overlays would also have the potential for

See, Cellular Telecommunication Industry Association's Semi-Annual Wireless Industry Survey Results, January 1985 to June 2000.

**National Association of State Utility Consumer Advocates**February 14, 2001 reducing the application of all-service overlays.

All services overlays, however, have discriminatory effects on competitive local exchange carriers ("CLEC") that are often required to take NXX codes from the new overlay area code and can be disadvantaged when directly competing with the ILEC or another CLEC that has an NXX in the pre-existing area code. Such a situation may create a geographic identity problem that would be anti-competitive or discriminatory as customers may be less likely to chose to obtain service from a new provider that cannot offer them a telephone number with an area code that is familiar with the geographic location. Under an all-services overlay, CLECs are disproportionately assigned numbers in the overlay area code while the ILEC controls an extensive inventory of numbers in the traditional geographic area code. As long as consumers perceive that the traditional area code is providing some geographic identification and they value that identification they will resist accepting numbers from the overlay area code. NASUCA submits that adoption of service-specific and technology-specific overlays rather than all-services overlays is one way to mitigate an incumbency advantage that can be uniquely available to incumbent service providers by virtue of their large stocks of numbers in existing area codes.

NASUCA further submits that ten-digit dialing for all calls should not be required in an area code after the implementation of service-specific or technology-specific overlays as is currently required with all-service and all-technology overlays. As explained above, these technologies are rarely in direct competition with each other for customers; they largely function as complementary services rather than substitutable ones. In view of these facts, NASUCA submits that eliminating the many disadvantages of mandatory ten-digit dialing is yet another reason why the FCC should lift its prohibition and allow the states to implement these customer friendly number conservation methods.

Finally, NASUCA submits that the success of service-specific and technology-specific overlays is most evident in Manhattan which is perhaps the most telecommunications intensive area in the country but has not been faced with the extreme proliferation of area codes as would be expected in Manhattan and has occurred in far less telecommunications intensive regions of the country. A service specific (wireless) area code was overlayed in the Manhattan area as the first form of relief of the 212 area code in 1999. Clearly, the 212 area code has long been associated with Manhattan and the anti-competitive effects of an all-services overlay in Manhattan would be tremendous due to the geographic familiarity of the existing area code. It is not evident that this wireless overlay created a competitive problem. Therefore, Manhattan can be viewed as an example of the success of service-specific and technology-specific overlays and this situation further enforces NASUCA's support for such number conservation measures.

NASUCA submits that there are many advantages from a numbering resource optimization perspective, a competitive perspective and a consumer convenience perspective to the FCC's removing its prohibition on service-specific and technology-specific overlays. As such, NASUCA submits that the urgency of the numbering situation warrants elimination of the prohibition on service-specific and technology-specific overlays.

NASUCA here reiterates that competition, while an important and valuable goal, should by no means the only consideration. The Telecommunications Act of 1996 mandated local exchange competition *in order to bring benefits to consumers*. Unfortunately, residential consumers still have very few, if any, alternatives to receiving service from the ILECs. Yet it is consumers who have borne the lion's share of the costs, inconvenience and other burdens caused by implementation of area code relief. It is

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See, Where Have All The Numbers Gone?, Economics and Technology, Inc., Second Edition, June 2000 at 32.

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consumers who have felt the pain of an archaic and inefficient number assignments

system that was not designed to accommodate a competitive market for local exchange
services. NASUCA submits that the interests of consumers must therefore assume a
greater prominence in assessing numbering resource optimization measures and
providing to the states the tools they need to implement customer-friendly optimization
measures and customer-friendly forms of area code relief.

2. Rate Center Consolidation could help eliminate the need to expand the North American Numbering Plan and would provide a long-term solution to the nation's numbering crisis, if done in an appropriate manner (¶¶144-148).

a.Issue

The FCC's Second Further Notice of Proposed Rulemaking also raises the issue of rate center consolidation (RCC).<sup>16</sup> In particular, the FCC recognizes that one of the major contributing factors to numbering resource exhaust is the existence of multiple rate centers in each NPA and the demand by most carriers to have numbering resources in each rate center in which they operate.<sup>17</sup> The FCC also recognizes the fact that the rate center system was established in the 1940s primarily to facilitate the routing and billing of telephone calls. The FCC states that it seeks further comment on "the rate center problem" and particularly what policies could be implemented at the federal level to reduce the extent to which the rate center system contributes to and/or accelerates the numbering resource exhaust.<sup>18</sup> The FCC again reiterates its encouragement for states to consider and implement rate center consolidation on their own.<sup>19</sup>

Finally, the FCC indicates that it seeks comments on ways to sever the

Second Report and Order, at ¶¶ 144-148.

<sup>&</sup>lt;sup>17</sup> Id at ¶144.

<sup>&</sup>lt;sup>18</sup> Id at ¶146.

<sup>19 &</sup>lt;u>Id</u> at ¶147.

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connection between number assignment and call rating and routing and on the benefits and costs of rate center consolidation in the 100 largest MSA in the country where rate center consolidation could have the most significant effect.<sup>20</sup>

#### b.Recommendation

NASUCA appreciates the FCC's continued efforts to encourage states to examine the possibility of rate center consolidation as a number resource optimization method so as to reduce the need for numbering resources to be assigned on such a limited geographic basis and slow the burdens and inconveniences borne by consumers with the implementation of each new area code. NASUCA recognizes that the FCC's ability to mandate rate center consolidation is limited by Section 152(b) of the Telecommunications Act which circumscribes the FCC's ability to regulate intrastate communication service. More specifically, Section 152(b) of the Telecommunications Act provides, in pertinent part

"... nothing in this chapter shall be construed to apply or to give the Commission jurisdiction with respect to (1) charges, classifications, practices, services, facilities, or regulations for or in connection with intrastate communication service by wire or radio of any carrier, ..."<sup>21</sup>

Therefore, the FCC is barred from requiring rate center consolidation because it is an intrastate issue.

With that in mind, NASUCA appreciates that the FCC has repeatedly indicated that rate center consolidation is a state issue and that states do not need specific authority to implement rate center consolidation. NASUCA submits that rate center consolidation, if done by state commissions in an appropriate manner, could reduce or eliminate the need to expand the NANP and would provide a long-term solution to the

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<sup>&</sup>lt;u>Id</u> at ¶148.

<sup>&</sup>lt;sup>21</sup> 47 U.S.C. §152(b).

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nation's numbering crisis. Of course, as discussed more fully below, NASUCA submits that if rate center consolidation is performed, it must be done without jeopardizing the functioning of certain other telecommunications services, such as E911, and without increases to the consumers' local telephone bills.

NASUCA recognizes that rate center consolidation is a number conservation method whereby the numerous and extremely granular rating areas, that were established nearly a century ago for the purpose of determining whether a call was local or toll and assessing distance-sensitive toll charges, are combined into a small number of much larger rate centers. This network architecture was not designed to accommodate local exchange competition and consequently leads to SPs acquiring vastly more numbering resources than their actual customer need in order to be able to serve customers in a given metropolitan area. For example, the 610/484 area code in southeastern Pennsylvania, which is about to undergo its third area code relief plan since 1995 and consists of roughly four counties in suburban Philadelphia, has 88 rate centers.<sup>22</sup> If one new entrant sought to be able to provide service to all possible customers in this area, it would require a block of 10,000 numbers in each rate center, or 880,000 telephone numbers for that one entrant alone. However, once implemented, NASUCA submits that rate center consolidation can have an immediate and profound effect in reducing the demand for numbers by new entrants, can alleviate this element of the current embedded network architecture and rescue the NANP from exhaust by reducing the amount of blocks of telephone numbers a CLEC needs to compete in an area, particularly when combined with thousands block number pooling.

NASUCA further submits that rate center consolidation can be done in

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Tentative Order, <u>Implementation of Number Conservation Measures Granted to Pennsylvania by the Federal Communications Commission in its Order Released July 20, 2000 - Thousands-Block Number Pooling</u>, Docket No. M-00001427 (Pa.P.U.C. 2000)(entered October 17, 2000) at 7.

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many forms and the most appropriate form must be carefully determined. In particular, consolidating rate centers which share the same local calling area will have minimal, if any, effect on call rating and routing but would have a tremendous impact on reducing the demand for numbering resources.

Furthermore, rate center consolidation would have the effect of reducing stranded numbers that exist in rate centers that have fewer than 10,000 customers in the rate center. Certainly, a CLEC does not need a block of 10,000 telephone numbers in a rate center that may only have 1,000 customers. Rate center consolidation, however, would alleviate this problem of stranded numbers as the stranded numbers in one rate center could then be used in an adjacent consolidated rate center that has a greater need for numbering resources after rate center consolidation. NASUCA submits that even the slightest reduction in the number of rate centers in area codes throughout the country will have a tremendous impact on conserving numbering resources. The benefits of rate center consolidation can best be maximized in conjunction with the implementation of other number optimization measures such as thousands block number pooling.

The benefit of rate center consolidation is perhaps most visible in Manhattan which, as discussed above, may be the most telecommunications intensive area in the country and, likewise, may have the most competition in a variety of telecommunications service areas that rely on numbering resources.<sup>23</sup> Yet, Manhattan has not had to add a large number of new area codes one would expect given the circumstances arising throughout the country in non-intensive telecommunications areas. NASUCA submits that this is due to, in conjunction with the service-specific overlay, the fact that Manhattan is one rate center and each new competitor needs only one NXX code in order to be able to provide service to potential customers throughout the entire city.

See, footnote 18, supra.

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The FCC has recognized the benefits of rate center consolidation in its first Notice of Proposed Rulemaking filed at this docket. In addition to its consistent encouragement to states to implement rate center consolidation without specific authority, the FCC has noted that rate center consolidation can be successful in "reducing the demand for NXX codes, improving number utilization and prolonging the life of an area code."24 The FCC has also stated that "in areas where there are contiguous rate centers with identical calling areas and identical exchange rates, rate center consolidation may be fairly easy and painless to implement."25 NASUCA understands that there are states where this situation does not exist and thus recognizes that rate center consolidation may be more desirable or easier to implement in some states than in others. As is the case with selecting the best method of relief for a particular area code, the state commissions are uniquely suited to determining whether rate center consolidation should be performed in their state. NASUCA submits that state Commissions should recognize the benefits of rate center consolidation and take action now to examine whether rate center consolidation can be implemented in an effective form. NASUCA also urges the FCC to move forward expeditiously to implement thousands block number pooling nationally and thus provide the states with another valuable number optimization tool which could be used in conjunction with rate center consolidation, or on a stand-alone basis in areas where the state commission has determined that implementation of rate center consolidation is not feasible.

NASUCA recognizes that the ILECs currently receive intraLATA toll revenues as a result of the current call rating and routing system. Large scale rate center consolidation could diminish some of this revenue. However, NASUCA submits that the

See, Number Resource Optimization, Notice of Proposed Rulemaking, 14 FCC Rcd 10322 (1999)("First Notice of Proposed Rulemaking") at ¶113.

<sup>15 &</sup>lt;u>Id</u>.

**National Association of State Utility Consumer Advocates** February 14, 2001 telecommunications industry is eliminating distance based long distance calling charges as many new services are done on a flat-rate basis (ie, wireless, internet access, etc.) without distance-based charging. This signifies that the industry is moving toward a pricing model that reduces the use of distance-based charges and consequently the reliance on rate centers for pricing purposes in a competitive environment. Rate centers, of course, remain essential for call routing purposes. Regardless of whether ILEC revenues decline as a result of implementation of rate center consolidation, consumers should not be made to pay higher total bills. ILECs incur costs to implement new area codes and those costs are an ordinary cost of doing business as a provider of telephone services. Any revenues lost by rate center consolidation, which will reduce the need for new area codes and consequently reduce implementation costs, should properly be viewed as offsetting the savings resulting from reducing the need to implement new area codes. In any event, there is no requirement that rate center consolidation or, for that matter, the implementation of any other number optimization or conservation measure must be done in a revenue-neutral manner.

NASUCA recognizes that rate center consolidation must be carefully implemented because there are ancillary issues that could create problems if not addressed appropriately. For example, there is still a need to maintain an established local calling area to ensure that consumers are aware of when they are making a toll call to help keep bills manageable. If rate center consolidation were widely implemented, however, a toll indicator could be used to signify to consumers when a toll call is being made. Local calling areas are also instrumental in the provision of universal service and would need to be carefully maintained so that the goals and objectives of universal service could still be attainable. The opportunity to offer flat rate local calling within a limited number of rte centers is an essential aspect fo dial-up Internet access that must be preserved.

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Furthermore, NASUCA recognizes that there are technological issues with regards to E911 provisioning and the network's ability to recognize telephone numbers and properly route calls in a system with consolidated rate centers. However, NASUCA submits that these technical concerns should not prevent a serious examination and possible implementation of some form of rate center consolidation. Clearly, if the FCC has already recognized that NANP expansion could cost as much as \$150 billion, <sup>26</sup> then it is reasonable to expect that any costs associated with rate center consolidation surely pale in comparison even to a modest delay of NANP expansion due to the implementation of this and other numbering conservation measures.

3. Mandatory reporting data should be made available to state-approved consumer organizations for inspection (¶151).

a.Issue

The FCC's Second Report and Order clarifies the scope of states' access to semi-annually reported data and indicates that state Commissions must continue to permit the NANPA to process requests for numbering resources in a timely fashion.<sup>27</sup> The FCC also recognizes that states have asserted that they require the same access to reporting data received by the NANPA including full access to the database in which reported forecast utilization data is stored. The FCC finds merit in this proposal and tentatively concludes that states should have password-protected access to mandatorily reported data received by NANPA.<sup>28</sup> The FCC then seeks comment on this tentative conclusion.

#### b.Recommendation

NASUCA supports the FCCs tentative conclusion that states should have

Id at ¶34.

Second Report and Order at ¶151.

<sup>&</sup>lt;sup>28</sup> <u>Id</u>.

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access to mandatorily reported data received by the NANPA. As discussed more fully below, NASUCA firmly believes that state commissions must play an active role in the management and utilization of numbering resources within their own jurisdiction. State commissions must be allowed to determine what is best for them to relieve the strain on their constituents created by area code exhaust as this has been one of the most active and publicly-affecting areas of utility regulation in the past few years. Database access would be one of the least costly means of accomplishing that objective. Furthermore, state commissions would be able to assist the FCC and the NANPA in meeting the overall goal of conserving numbering resources and thereby saving the FCC and NANPA from additional strain on their financial and other resources. Therefore, NASUCA submits that state commissions should have access to mandatory reporting data that is submitted to the NANPA so that state commissions can effectively play an active role in the management of numbering resources within their state.

NASUCA, however, submits further that state-mandated consumer organizations, such as the NASUCA constituent organizations, should also be allowed full access to the database in which reported forecast utilization data is stored. In particular, NASUCA has played an important role both at the state level and at the NANC and its subsidiary working groups in helping to conserve numbering resources. Often times, NASUCA is the lone consumer voice in many decisions that are made that have a tremendous impact on consumers, both residential and business. Therefore, statemandated consumer organizations, such as the NASUCA constituent organizations, should be given comparable access to mandatory reporting data so that consumer interests can continue to be represented in numbering decisions. Furthermore, these vital groups should be given access to reports if they request them even if they are not in the NANPA database.

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See, section II.B.5.b, supra.

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NASUCA recognizes that there may be legitimate competitive and proprietary concerns associated with its review of mandatory reporting data. This may particularly be the case where the information is not be reported in the aggregate. Therefore, NASUCA submits that access by state commissions and state-mandated consumer advocate organizations could be governed by non-disclosure agreements or comparable state rules for handling of proprietary materials, so that, at the least, these vital government organizations and agencies could monitor the data. Many state mandated consumer advocate offices play very active and important roles in the administrative of numbering resources and should be entitled to review and monitor mandatory reporting data submitted to the NANPA.

As such, NASUCA submits that mandatory reporting date should be made available to both state commissions and state-approved consumers organizations for their inspection and review.

4. A substantial contributing factor to the pending exhaust of the North American Numbering Plan is the lack of a conservation minded set of requirements regarding the reservation of telephone numbers (¶152).

a.Issue

The <u>Second Report and Order</u> also raises the issue of number reservations.<sup>30</sup> In particular, the FCC seeks further comment on both the length of time a number can be reserved and whether a fee should be associated with the reservation period. The FCC adopted in the <u>Second Report and Order</u> an extension of the period for reserving numbers to a maximum of 180 days with no allowance for an extension although some commenters wanted a longer period of time to be able to reserve numbers

Second Report and Order, at ¶152.

**National Association of State Utility Consumer Advocates** February 14, 2001 with an opportunity for extensions.<sup>31</sup> This represents a change in the FCC's prior position which allowed numbers to be reserved for only 45 days.<sup>32</sup> Therefore, the FCC seeks comment on whether unlimited reservations are necessary or whether there should be any constraint on the period that numbers can be reserved. The FCC also seeks comments here on whether charging a fee to reserve a number is appropriate and, if so, who should be charged, what should the amount be and how should the revenue be applied.

#### b.Recommendation

NASUCA has long advocated that a substantial contributing factor to the pending exhaust of the NANP is the lack of a conversation minded set of requirements regarding the reservation of telephone numbers and that this lack of such requirements has led to inconsistent assignment and inefficient utilization of numbering resources throughout the NANP.<sup>33</sup> NASUCA submits that number optimization methods in general will not be as effective if there are no controls in place on the amount of numbers that can be reserved. As such, NASUCA has advocated that a set of requirements be put in place which appropriately and efficiently conserve numbering resources while permitting local service providers and end users to accomplish their telecommunications objectives and meet their legitimate business needs.

NASUCA has proposed that it is ideal to have the shortest possible time permitted that a number can be reserved and reservations extended. Therefore, NASUCA has proposed that a 90 day reservation period with one 30 day extension be permitted to achieve the goal of conserving numbering resources.<sup>34</sup> At the end of this reservation period, the customer that reserved that particular number could not reserve that same

<sup>31</sup> Id.

<sup>32</sup> First Report and Order, at ¶¶22-23.

<sup>33</sup> See, contribution to the Number Resource Optimization Working Group on April 12, 1999.

Id. at 3.

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number for a period of one year following the reservation period whether or not the original reservation period included an extension. Equally important, NASUCA believes that such a limit on the ability to reserve numbers should also be incorporated with a limit on the total amount of numbers that can be reserved. Therefore, NASUCA has previously proposed the following:

- in a non-jeopardy situation, the maximum quantity of numbers which may be reserved by a customer shall be the lesser of 500 numbers or 50% of the number of working lines which the customer has in use at the time of the request to reserve the number.
- in a jeopardy situation, the maximum quantity of numbers which may be reserved by a customer shall be the lesser of 100 numbers or 10% of the number of working lines which the customer has in use at the time of the request to reserve the number.<sup>35</sup>

Both of these criteria are applied on a customer, not carrier, basis and calculate the total number of working lines as including the number of phone lines that customer pays for anywhere.<sup>36</sup> The NASUCA proposal also provides that the application of these number reservation guidelines to a local exchange carrier and/or end user conveys no title or property right to that customer or service provider.

NASUCA recognizes that these provisions are stricter than what the FCC has currently adopted but submits that the unrestricted manner by which telephone numbers can be reserved by service providers increases the exhaust of area codes and may work against the optimization of numbering resources. Any number reservation

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<sup>&</sup>lt;sup>35</sup> Id at 3-4.

NASUCA is aware of the special concerns regarding restrictions on number reservation expressed by the Association of College Telecommunications Administrators described in this letter to the NANC last year. NASUCA is open to discussion of these concerns and possible creation of a very narrowly-tailored exemption the its number reservation proposal for these customers.

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guidelines must work in conjunction with the effects of the overall numbering crisis. As such, these guidelines should be seen as a small inconvenience by carriers and end users that will avoid the greater inconvenience for all parties' of the implementation of a new area code and, of course, the expansion of the NANP. In this light, these numbering reservation guidelines are a small concession for the overall goal of number resource optimization. Furthermore, NASUCA submits that all numbering conservation measures will be of little value if carriers or customers were able to hoard or warehouse (also known as stockpile or bank) telephone numbers which is possible if there are no effective controls in place on the process by which telephone numbers can be reserved.

NASUCA submits that telephone number reservation restrictions should be designed so as to maximize the effectiveness of number optimization measures and slow the increasing rate of area code proliferation and the costs and burdens that are incurred by consumers as a result. The implementation of the above number reservation guidelines that provide a conservation minded set of requirements for the reservation of telephone numbers will achieve this goal.

With regard to the FCC's request for comment on whether a fee should be imposed on carriers or end users for the ability to reserve a telephone number, NASUCA recognizes that the purpose of such an approach would be to discourage carriers from requesting more numbers than they actually require and that a number reservation fee would create an incentive to encourage the conservation of numbering resources.

However, NASUCA is also concerned with the ramifications such a fee would cause for competitive companies who many not have the financial resources to pay a number reservation fee in their course of building market share. NASUCA submits that a number reservation fee may disproportionately disadvantage new entrants and/or carriers with relatively less ability to reserve numbering resources even if they are in compliance with the regulations.

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Furthermore, a number reservation fee may have the unintended effect of actually accelerating the depletion of numbering resources if carriers with great financial resources "buy up" quantities of numbers for future use. In that manner, a number reservation fee could have the unintended effect of "buying" NANP exhaust. Any number reservation fee could also discourage the development of competition and diminish the prospects of competitive choices for consumers while favoring the incumbents who already possess an embedded resource base. NASUCA is also concerned with the flow through of a number reservation fee to consumers in the form of an additional cost of obtaining telephone service be it through an increase to the local telephone bill or a surcharge. Therefore, NASUCA submits that the FCC should defer further deciding on a number reservation fee until it has pursued all options of number optimization first.

NASUCA recognizes that the reservation of telephone numbers may, at times, benefit the end user and, therefore, a reservation fee assessed on the end user may be appropriate. However, this may not always be the case and, as such, any number reservation fee must be carefully determined. Furthermore, NASUCA submits that the revenues generated through the imposition of a number reservation fee, if any, should be used to offset the costs associated with other number conservation measures. For example, any revenues gained could be used to defray the costs, if any, of the implementation of thousands-block pooling which NASUCA recognizes is still being considered by the FCC.<sup>37</sup> Of course, as discussed above, any revenues gained from a number reservation fee could also be used to offset the implementation of rate center consolidation.

The FCC has recognized that the cost of NANP expansion could be as

See, Section II.B.6, supra.

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high as \$150 billion and a number reservation fee may provide some monetary relief to that endeavor (although NASUCA submits that number reservation fee revenues will never and should never approach this exorbitant amount). Certainly, however, any

achieve the overall goal of conserving numbering resources and should not merely be

revenues gained from a number reservation fee should be applied in some manner to

placed in the federal Treasury.

NASUCA submits that the FCC may be in the unfortunate predicament of balancing a number reservation fee that is too high with a fee that is too low. Regardless of the fee, NASUCA submits that there must be a reasonable limit to the length of time which a telephone number can be reserved or all other number conservation efforts could be negated. Therefore, the FCC needs to establish a conservation minded set of requirements regarding the reservation of telephone numbers so as to eliminate number reservations as a substantial contributing factor to the pending exhaust of the NANP. NASUCA respectfully requests that the FCC adopt the number reservation guidelines proposed herein and again reverse its recent decision setting the length of time a telephone number can be reserved.

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5. The FCC should strictly enforce its number conservation guidelines so as to maximize the efficient use of numbering resources and reduce the proliferation of additional area codes (¶153).

a.Issue

In the Second Report and Order, the FCC addresses the fact that, now that there is a comprehensive audit program to verify compliance with federal rules and orders and industry guidelines, carriers found in violation of those federal rules and orders and industry guidelines may be subject to possible enforcement action such as monetary forfeitures, revocation of interstate operating authority and cease and desist orders.<sup>38</sup> The FCC tentatively concludes that carriers that violate the numbering requirements, or that fail to cooperate with the auditor to conduct either a "for cause" or random audit, should be denied numbering resources in certain instances.<sup>39</sup> The FCC seeks comment on this tentative conclusion as well as whether additional remedies should be invoked for any violations found of the federal rules and orders or industry guidelines. *b.Recommendation* 

NASUCA submits that the failure to enforce the federal rules and orders and industry guidelines with regards to the optimization of numbering resources would allow for the complete disregard of those federal rules and orders and industry guidelines and would result in the waste and inefficient use of numbering resources. As such, the failure to enforce these rules would also result in a tremendous waste of energy and resources of the many parties and interests, including the FCC, that have been involved in this process for several years. Certainly, any violations of any federal rules and orders and industry guidelines should be reported to the appropriate regulatory authority including the FCC's Enforcement Bureau, whether or not those violations relate to numbering issues.

Second Report and Order, at ¶153.

Id at ¶154.

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NASUCA submits that it is appropriate that service providers who violate numbering rules and orders and industry guidelines be denied numbering resources in most instances. Therefore, if any carrier is found to have violated any numbering rules, orders or industry guidelines, NASUCA submits that it would be appropriate to withhold future numbering resources to that carrier. NASUCA has consistently submitted that the current numbering crisis has escalated to a point where the FCC must now consider numbering to be an urgent issue that demands immediate and decisive action, because further delay serves only to diminish both the availability of options and the potential effectiveness of any solutions that are adopted.<sup>40</sup> Fortunately, the FCC has begun taking steps to slow the proliferation of area codes and reduce or delay the burdens associated with the implementation of each new area code. Such progress, however, will be reversed if there is not a strict and consistent enforcement of all violations of existing rules and orders as well as industry guidelines.

NASUCA further defers to the Enforcement Bureau for the process by which any remedies are invoked but surely considers directing the NANPA or the Pooling Administrator to withhold numbering resources is an appropriate, just and reasonable remedy for violation of numbering rules, orders and guidelines.

If the rules and orders are not strictly enforced, NANP exhaust may come sooner than expected. As such, NASUCA submits that the FCC should strictly enforce its number conservation guidelines including withholding numbering resources so as to maximize the efficient use of numbering resources and reduce the proliferation of additional area codes. Without strict enforcement of the number conservation guidelines that have been developed over several years through the efforts of many segments of the industry, including the FCC, the NANP is still subject to the risk of expansion as area

<sup>40</sup> Joint Consumer Comments, at 4-6.

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codes will continue to proliferate throughout the country. Furthermore, a lack of strict

enforcement would result in a tremendous waste of resources and time that have already

been committed by many parties and will continue in the years to come.

6. States' should have authority to conduct audits of their numbering resources so as to be able to effectively and efficiently address the particular needs of their state (¶155).

a.Issue

The <u>Second Report and Order</u> also seeks comment on state Commissions' authority to conduct "for cause" and "random" audits established in the comprehensive audit program adopted therein which seeks to verify carrier compliance with federal rules and orders. The FCC contends that a national program will provide some degree of uniformity across the country in how audits are conducted but recognizes that state commissions would also benefit from having a role in conducting the audits. Therefore, the FCC seeks comments on whether state Commissions should be given independent authority to conduct "for cause" and "random" audits in lieu of or in addition to the national program established in the <u>Second Report and Order</u> including what parameters and standards should apply to states' authority.

#### b.Recommendation

NASUCA has long been an advocate, both in numbering issues and elsewhere, in states' autonomy to govern appropriately and within any existing federal guidelines to meet the specific needs of their individual states. NASUCA submits that states should have a strong role in the FCC's comprehensive auditing program adopted herein when the national guidelines are put in place. In fact, states should be able to meet the individual needs of their specific circumstances subject to these comprehensive

Second Report and Order at ¶155.

<sup>42 &</sup>lt;u>Id</u>.

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guidelines. Furthermore, such guidelines should not restrict states in their auditing of carriers compliance with numbering rules and orders as well as industry guidelines but should allow states flexibility to use the audit method best geared toward resolving their local concerns. States should be able to tailor the guidelines to their specific situations so as to increase their efficiency and maximize number resources in their respective states.

NASUCA submits that states should be allowed to determine what is best for them to relieve the strain on their constituents created by area code exhaust. This would include states' ability to conduct audits. Furthermore, NASUCA cautions against FCC audit guidelines that would unduly restrict how and when these audits are conducted as states should be able to customize these audits, within the federal guidelines, to their own unique circumstances. Otherwise, states may be frustrated in their attempts to conserve numbering resources if they are unable to react to a particular, state-specific circumstance according to the specific needs of the situation or must petition the FCC for authority to deviate from a national set of guidelines. Such delay could close the window of opportunity on meaningful and effective number conservation.

NASUCA submits that dealing with area code relief and number conservation efforts has proven to be one of the most active and contentious areas of state regulatory activity in the past few years.<sup>43</sup> State commissions have been in "the front line" in the area code crisis but have been hamstrung, at times, in their efforts by regulatory constraints that have been beyond their control due to federal oversight. State commissions must be able to move at their own pace and enthusiasm to be able to effectively respond to their respective numbering problems. State commissions' authority to conduct "for cause" or "random" audits is a large part of conserving numbering resources and states should be given great authority to conduct these audits

See, <u>Joint Consumer Commenters</u>, at page 7.

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without being hamstrung by unnecessarily restrictive federal guidelines as the current numbering crisis now requires state Commissions to act quickly and decisively.

Many states have clearly indicated their desire to conduct their own audits.<sup>44</sup> As such, these Commissions understand the value of conducting audits in conserving numbering resources. These Commissions should be given the flexibility to conduct such audits in the manner that will best address the numbering crisis in their respective states. Therefore, NASUCA submits that the FCC should, without further delay, grant states the authority to conduct audits of their numbering resources so as to be able to effectively and efficiently address the particular needs of their state.

7. Consumers should not incur an increase to their telephone bill, particularly their local telephone bill, through a surcharge or

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Arizona, Connecticut, Indiana, Missouri, Nebraska, New York, Oregon, Tennessee, Virginia and Washington have already received authority from the FCC to conduct audits of carriers' use of numbering resources within the parameters established in the First Report and Order. See, Number Resource Optimization, Order, CC Docket No. 96-98, 99-200, DA 00-1616 (rel. July 20, 2000)(addressing Petitions for additional delegated authority to implement number resource optimization strategies filed by fifteen states); Connecticut Department of Public Utility Control Petition for Delegation of Additional Authority to Implement Area Code Conservation Measures, Order, 15 FCC Rcd 1240, 1251 (1999); and New York State Department of Public Service Petition for Additional Delegated Authority to Implement Number Conservation Measures, Order, 14 FCC Rcd 17467, 17482-83 (1999).

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otherwise, as a result of the implementation of thousands-block number pooling (¶179).

a.Issue

In the Second Report and Order, the FCC states that it has previously adopted three cost categories for thousands-block pooling. The FCC further stated that incremental shared industry costs become carrier-specific costs once they are allocated among carriers and adopted a formula for allocating shared industry costs for thousands-block number pooling. The FCC recognizes, however, that no cost recovery mechanism for incremental carrier-specific costs has yet been established because the record did not contain adequate information regarding the range and magnitude of incremental thousands-block pooling costs. The FCC recognizes that the selection of a national Pooling Administration will significantly influence the timing and amount of costs carriers will incur for pooling and that such costs will be more readily ascertainable after a national pooling scheduled is finalized.

In the interim, however, the FCC now seeks Comments and cost studies that quantify shared industry and direct carrier-specific costs of thousands-block number pooling and emphasizes that cost studies should take into account the costs savings associated with thousands-block number pooling in comparison to the current numbering practices that result in more frequent area code changes. In response, NASUCA submits that any cost recovery mechanism should not result in an increase to consumers' telephone bill, particularly their local telephone bill, through a surcharge or otherwise, as a result of the implementation of thousands-block number pooling.

#### b.Recommendation

<sup>45 &</sup>lt;u>Second Report and Order</u> at ¶179.

<sup>&</sup>lt;sup>46</sup> Id.

Id. at ¶181.

<sup>&</sup>lt;sup>48</sup> Id at ¶182.

NASUCA submits that consumers should not incur an increase to their telephone bill, particularly their local telephone bill, through a surcharge or otherwise, as a result of the implementation of thousands-block pooling. Furthermore, NASUCA submits that if the FCC determines that ILECs can recover from their consumers their costs of implementation of thousands-block pooling, such an increase must comply with applicable law. Most importantly, however, any discussion of recovering the cost of implementing thousands-block pooling must consider the cost savings associated with a delay or reduction in the implementation of additional area codes. In fact, NASUCA submits that the cost of implementing thousands-block pooling is likely less than the cumulative costs of introducing new area codes or expanding the NANP so that ILECs could realize cost savings.

More specifically, the cost of implementing a new area code has been estimated at \$8.5 million for each overlay and \$11.5 million for each geographic split.<sup>49</sup> On the other hand, estimates of implementing thousands-block pooling have been placed at \$775,000 per area code.<sup>50</sup> Thus, it appears that the industry will in fact realize tremendous savings for each area code where thousands-block pooling is implemented and that by implemented thousands-block pooling, the FCC will be reducing carrier costs substantially – not increasing those costs. Certainly, this reduction in carrier costs is amplified many times over for each area code thousands-block pooling is implemented. Of course, any discussion of avoided costs in the context of number optimization would not be complete without referencing the costs avoided by not expanding the NANP which has been estimated by the FCC at \$150 billion and may need to be done as soon as 2006

See, Comments of Verizon Pennsylvania, Inc., Docket No. P-00961071F0002 (Pa.P.U.C.)(filed October 30, 2000) at 6.

See, Comments of Verizon Pennsylvania, Inc., Docket No. M-00001427 (Pa.P.U.C.)(filed November 17, 2000) at 10.

National Association of State Utility Consumer Advocates February 14, 2001 if conservation measures are not undertaken.<sup>51</sup> NASUCA submits that even if thousands-block pooling delays NANP expansion by only a few years, the savings could be substantial.

The costs of implementing thousands-block pooling will surely pale in comparison to the sizeable portion of the costs of NANP expansion that could be incurred by telecommunications carriers. Therefore, the costs of pooling, regardless of how substantial the estimates are, will result in a net cost savings when compared to the costs to carriers for expanding the NANP. As such, the FCC should require carriers to incur the costs of pooling without the necessity of explicit additional recovery from consumers. NASUCA, therefore, submits that the FCC should not allow for recovery of the cost of implementing thousands-block pooling by increasing consumers' telephone bills, particularly their local bills, because the cost of thousands-block pooling is far exceeded by the cost of implementing a new area code and the cost is otherwise negligible to incumbent local exchange carriers. In any event, both thousands-block pooling costs and costs avoided must be considered in any cost recovery determination.

Furthermore, NASUCA opposes cost recovery for thousands-block pooling because these costs are a normal cost of doing business and are not exogenous costs that would qualify for flow-through to consumers. NASUCA submits that the costs of thousands-block pooling should be treated as the normal cost of conducting business and are no different from the magnitude of the cost of implementing new area codes which no ILEC has previously ever sought recovery of through an exogenous cost flow-through. NASUCA submits that there is no fundamental difference in the alleged "exogenous" nature of costs as between implementing an area code, whether it be through a split or an overlay, or implementing number pooling as both costs are ordinary and necessary costs of doing business and neither should qualify for a flow-through.

51 First Report and

First Report and Order, at ¶6.

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Moreover, in as much as consumers are already being required to pay for local number portability ("LNP"), they should not have to pay for thousands-block number pooling which also uses LNP technology. NASUCA further submits that the FCC has already concluded in its <u>First Report and Order</u> that ILECs that are subject to a rate of return or price cap regulation may not recover their interstate carrier-specific costs directly related to thousands-block pooling through a charge assessed on end-users but may recover the costs through other cost recovery mechanisms.<sup>52</sup>

Furthermore, any FCC determination to allow incumbent local exchange carriers who are subject to price cap regulation or a rate of return to recover the cost of implementing thousands-block pooling would contradict section 251(e)(2) of the Telecommunications Act of 1996 ("TA96"). This section provides that "the cost of establishing telecommunications numbering administration arrangements and number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the [FCC]."<sup>53</sup> No reference is made to non-carrier recovery and the FCC has been given no authority to take such action.

Finally, NASUCA submits that if the FCC allows for recovery of the cost of implementing thousands-block pooling, it must do so in compliance with all applicable laws, particularly if it will result in an increase in consumers' telephone bills. In particular, the FCC must ensure that notice must be provided to the public, hearings must be held and state and federal costs should be appropriately separated before any such increase becomes effective. As such, NASUCA submits that consumers should not incur an increase to their telephone bill, particularly their local telephone bill, through a surcharge or otherwise, as a result of the implementation of thousands-block number

<sup>152 &</sup>lt;u>Id</u> at ¶204.

<sup>&</sup>lt;sup>53</sup> 47 U.S.C. §251(e)(2).

National Association of State Utility Consumer Advocates February 14, 2001 pooling.

C. The Federal Communications Commission must consider the current numbering crisis to be an urgent issue and act immediately to provide the necessary tools to meaningfully and effectively slow the proliferation of area codes and greatly delay the expansion of the North American Numbering Plan.

NASUCA appreciates the efforts the FCC has undertaken to combat the area code proliferation crisis but submits that much action still needs to be taken and should be taken quickly. The FCC must quickly implement the national thousands-block pooling program it established in previous orders and provide further additional number conservation measures so that the numbering crisis can be addressed immediately and effectively. The FCC is losing its "window of opportunity" to implement any meaningful and effective number conservation measures as the implementation of additional area codes continues to progress at an increasingly rapid pace. The FCC must take the steps outlined above as well as continue to consider number resource optimization before NANP expansion, and the myriad burdens and inconveniences associated with it, are thrust upon society.

The proliferation of telephone numbers might not be so bad if it served a valid public purpose. When the great majority of telephone numbers in existing area codes are not even being used when they are supposedly "exhausted" by an inefficient numbering scheme, the costs to society are intolerable. Further delay will only diminish both the availability of options and the potential effectiveness of any solutions that may ultimately be adopted. State commissions are ready and willing to pursue number optimization measures and the FCC should immediately allow states to pursue measures that will most effectively meet the individual states' needs. The FCC should move

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forward on as many measures as possible rather than focus on only a few limited solutions and design number policies and optimization measures that minimize consumer and societal costs and burdens and maximize competitive neutrality.

The FCC should no longer continue to look at NANP expansion as an inevitability that will occur sooner rather than later but should recognize that it can significantly delay, if not completely eliminate, the need for NANP expansion.

#### III. CONCLUSION

WHEREFORE, the National Association of State Utility Consumer

Advocates respectfully submits that the Federal Communications Commission

should consider these Comments with regard to its Second Further Notice of

Proposed Rulemaking in the matter of Number Resource Optimization. As such,

# NASUCA submits that:

the prohibition on service-specific and technologyspecific overlays should be eliminated;

Ithe FCC should further encourage states to implement rate center consolidation and other number conservation measures;

consumer advocates should have access to mandatory reporting data;

✓ a conservation-minded set of requirements regarding the reservation of telephone numbers should be implemented; 
✓ the FCC should strictly enforce its number conservation guidelines;

Istate Commissions should have authority to conduct audits of the use of their numbering resources; and I consumers should not incur an increase to their telephone bills in any form as a result of the implementation of thousands-block pooling or other number conservation or optimization measures.

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